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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268–0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 543 (MC2019-176)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2019-198

USPS NOTICE OF AMENDMENT TO PRIORITY MAIL CONTRACT 543, FILED UNDER SEAL

(August 28, 2020)

The Postal Service hereby provides notice that the terms of Priority Mail Contract 543, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 543 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective one calendar day following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Priority Mail

Contract 543. Therefore, the supporting financial documentation and financial

certification initially filed in this docket remain applicable. The Postal Service hereby

incorporates by reference the Application for Non-Public Treatment originally filed in this

docket, for the protection of the customer-identifying information that has been filed

under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

475 L'Enfant Plaza, SW Washington, D.C. 20260-1137 (202) 268-8405 Sean.C.Robinson@usps.gov August 28, 2020

ATTACHMENT A TO REQUEST REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 543

AMENDMENT #1 OF SHIPPING SERVICES CONTRACT BETWEEN THE UNITED STATES POSTAL SERVICE

AND

REGARDING PRIORITY MAIL SERVICE

WHEREAS, the United States Postal Service (the "Postal Service") and ("Customer") entered into a Shipping Services Contract, PM Contract 543/Docket No. CP2019-198 regarding Priority Mail Service on June 26, 2019.

WHEREAS, the Parties desire to amend the terms in Sections I.B, adding new Table A.1, I.F, I.G, including Table C, adding new Section I.L and amending Section IV. of the Contract.

NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment shall become effective one (1) calendar day following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.B, adding new Table A.1, I.F, and I.G, including Table C, adding new Section I.L and replacing Section IV., as follows.]

I. Terms

- B. This Contract applies to Customer's outbound packages, excluding packages originating from and/or addressed to ZIP codes contained in Table A.1 below ("Contract Packages"), as follows:
 - 1. Priority Mail weight based packages that do not exceed



F. From the effective date of the Amendment through September 30, 2020, Customer will pay Tier 3 prices for Contract Packages, pursuant to Table 3. Beginning October 1, 2020, subsequent tier pricing will be determined by the quarterly

average of Total Packages shipped during the term of this Contract. If the quarterly average of Total Packages shipped falls below the minimum volume set for Tier 1 pricing, the Postal Service in its sole discretion has the right to revert Customer to the most current Priority Mail Commercial Plus prices for the subsequent Contract Quarter. Notwithstanding, the Postal Service may provide Customer with access to a higher tier than the tier earned per the calculation in this section and Section I.G below at its sole discretion.

G. Customized prices for this Contract will be based on a rolling four (4) Quarter average. Following September 30, 2020, the average will be based on the total number of Total Packages shipped divided by the number of full Quarters achieved. For example, the quarterly average of Total Packages shipped for the period July 1, 2020 through September 30, 2020, will determine the tier pricing as of October 1, 2020. At the conclusion of the first four (4) full Quarters, pricing for subsequent Quarters will be calculated by the total number of Total Packages shipped in the previous four (4) Quarters divided by four (4). At the conclusion of each Quarter, the Postal Service will calculate the total number of Total Packages and the number of applicable Quarters to calculate and apply the appropriate rate table within fifteen (15) calendar days of the conclusion of that Quarter. Table C below illustrates the method in determining tier level and corresponding prices.

Table C

Contract Year (CY) 2	Tier Determination
Quarter 2 (July 1-	Tier 3 Pricing
September 30, 2020	325°
Quarter 3	Total Packages Shipped (CY2 Q2) ÷ 1
Quarter 4	Total Packages Shipped (CY2 Q's 2&3) ÷ 2
Contract Year (CY) 3	
Quarter 1	Total Packages Shipped (CY2 Q's 2,3 &4) ÷ 3
Quarter 2	Total Packages Shipped (CY2 Q's 2,3&4 + CY3 Ql) ÷ 4
Quarter 3	Total Packages Shipped (CY2 Q's 3&4 + CY3 Q's 1&2) ÷ 4
Quarter 4	Total Packages Shipped (CY2 Q4 + CY3 Q's 1,2&3) ÷ 4

L. Customer expressly commits to not offer, sell, or allow the use of Contract Pricing provided in this Contract to any other entity or party (i.e. "reselling"). Customer shall not extend pricing to a third party under this Contract, including commercial published pricing for the products defined in Section I.B, or any prices below commercial published pricing. For the avoidance of doubt, a violation of this section will constitute a material breach of this Contract. This requirement may be waived in writing by the Postal Service, expressly for the limited purpose of Customer's dropshipping activities.

IV. Appeals

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal via email, along with any and all supporting documentation, within thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal to:

The appeal is forwarded to the Pricing and Classification Service Center (PCSC). The PCSC manager issues the final agency decision. Any decision that is not appealed as prescribed becomes the final agency decision.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE
Signed by: Timothy Costello
Printed Name: Timothy R. Costello
Title: Vice President Sales
8/27/2020 Date:

